

**POCKET GUIDE
TO**

Maine's Business Resources



Take Your Business in a New Direction

www.businessinmaine.com

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STATE FINANCING

The CDBG Economic Development Program (EDP) provides gap funding for communities to assist businesses in the creation/retention of quality jobs, primarily for low- and moderate-income persons. The maximum award amount per job created/retained with EDP funds is \$20,000 except if the business is located in a HUB or Empowerment Zone or if the business is Pine Tree Zone certified, in which case the maximum award amount per job created/retained is \$30,000. Program activity groups include:

- **Non-Municipal Owned:** 1) up to \$200,000 for the rehabilitation of commercial or industrial buildings, structures, capital equipment and real property improvements; 2) working or operating capital.
- **Municipal Owned:** up to \$300,000 for acquisition, relocation, demolition, clearance, etc., associated with public infrastructure projects such as water and sewer facilities, drainage improvements, parking, etc., which are necessary to create or retain jobs in the nonretail private sector for low- and moderate-income persons.

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STATE FINANCING

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- **Development Fund (DF) Loan:** up to \$300,000 for the acquisition or installation of commercial or industrial buildings and site improvements.

Applicants for the first two activity groups may also utilize the DF loan activity for the same project but are limited to a total of \$400,000 in assistance. EDP funds cannot be used to refinance existing debt.

Contact: Department of Economic and Community Development, Office of Community Development
207-624-7484
www.meocd.org

The Market and Production Development Division of the **Department of Agriculture** provides assistance in the expansion of existing agriculture-based businesses and the development of new business.

Contact: Maine Department of Agriculture, Food & Rural Resource
207-287-3491
www.maine.gov/agriculture

- **Agricultural Marketing Loan Fund** provides low-cost financing to help eligible businesses employ new and innovative

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technologies and processes in order to improve, expand and enhance the manufacturing, marketability and production of Maine-made products. Funds may be used for the design, construction or improvement of facilities such as commodity storage buildings and packing and marketing facilities. Funds may also be used to purchase or retrofit machinery and equipment.

- **Agricultural Development Grant Fund** is a matching competitive grant program that encourages efforts by farmers, aquaculturists and food processors to expand their markets, promote their products and test new technological processes.

**Contact: Maine Department of Agriculture,
Food & Rural Resources**

207-287-7620

www.maine.gov/agriculture

For loan application:

Finance Authority of Maine

1-800-228-3734

207-623-3263

www.famemaine.com

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Economic Recovery Loan Program provides subordinate (gap) financing to assist businesses in their efforts to remain viable and/or improve productivity. From time to time, FAME utilizes funds in this program to address specific business community needs.

Contact: Finance Authority of Maine

207-623-3263 or 1-800-228-3734

www.famemaine.com

Employment Tax Increment Financing

(ETIF) provides qualified businesses (i.e., any for-profit, nonretail, nonutility, targeted industry) that add a minimum of five qualified jobs within a two-year period with reimbursement of up to 80 percent of the Maine income tax withholdings of qualified employees for up to 10 years.

Contact: Department of Economic and Community Development

207-624-9800

www.mainebiz.org/business_assistance/etif.asp

Loan Insurance Program may provide up to 90 percent insurance of a loan made by a financial institution and is designed to help businesses in Maine access commercial credit. Applications to FAME are made through commercial lenders, and the program is available for any prudent business activity. FAME's Online Answer (OLA) is a faster, easier, and lower cost way for authorized lenders to apply for loan insurance.

(Note: Some restrictions apply.)

Contact: Finance Authority of Maine

207-623-3263 or 1-800-228-3734

www.famemaine.com

Maine Technology Institute (MTI) supports Maine companies' early-stage research and development efforts leading to commercialization of new products and services. MTI makes investments up to \$500,000 that are awarded on a competitive basis several times a year. All MTI awards require a minimum one-to-one cash match by the recipient. All awards are based on scientific or technical merit, commercial feasibility and positive economic impact on the state.

Contact: Maine Technology Institute

207-582-4790

www.mainetechnology.org

Regional Economic Development

Revolving Loan Program is designed to make loans through Regional Economic Development agencies for the purpose of creating or retaining jobs. FAME makes disbursements to Regional Economic Development agencies, and they make loans to eligible borrowers. Also, the Regional Economic Development Revolving Loan Program for Day Care Program provides quality child care projects with loans for physical site improvements.

Contact: Finance Authority of Maine

207-623-3263 or 1-800-228-3734

www.famemaine.com

Small Company Offering Registration (SCOR)

is a unique means by which a company needing capital may make a public offering of securities, without the often costly and time-consuming process of a U.S. Securities and Exchange Commission registration. The program enables corporations and limited liability companies to raise up to \$1,000,000 in any 12-month period through the sale of securities to the public. The program's primary focus is reducing the cost of capital to small businesses.

Contact: Department of Professional and Financial Regulation

207-624-8551

www.maine.gov/pfr/securities/

STATE FINANCING

Continued

Small Enterprise Growth Fund, provided on behalf of the Small Enterprise Growth Fund Board, provides up to \$300,000 in patient capital to promising companies that demonstrate a potential for high growth and public benefit.

Contact: Small Enterprise Growth Fund

207-373-9306

www.segmaine.com

Tax-Exempt Bond Program provides credit-enhanced tax-exempt attractive interest rate bond financing (up to \$4,750,000) for manufacturers. Funds may be used to purchase and/or construct a manufacturing facility or purchase new machinery and equipment.

Contact: Finance Authority of Maine

207-623-3263 or 1-800-228-3734

www.famemaine.com

Taxable Bond Program provides credit-enhanced long-term bond financing for up to \$4,750,000 on loans to manufacturers for real estate acquisition and construction as well as machinery and equipment acquisitions.

Contact: Finance Authority of Maine

207-623-3263 or 1-800-228-3734

www.famemaine.com

LOCAL FINANCING

Tax Increment Financing (TIF) provides municipalities with a local tool to finance the cost of private development. A municipality may use all or a portion of the new property taxes that result from an investment project within a designated district to assist in that project's financing. The municipality has the option of issuing bonds (which are retired using the tax increment) or disbursing the tax increment directly to the investing business to cover project costs. TIF districts may be designated for a period of up to 30 years. The terms of financing are established by the municipality. A public hearing and the majority vote of the municipal legislative body are required, with final approval provided by DECD.

Contact: Department of Economic and Community Development

207-624-9800

www.mainebiz.org/business_assistance/tif.asp

TAX REIMBURSEMENT, CREDITS & EXEMPTIONS

Business Equipment Tax Exemption

(BETE) Program provides a 100% property tax exemption for qualified business property first subject to tax in Maine on or after April 1, 2008. There is no time limit on the length of the exemption.

Contact: Maine Revenue Services

207-626-8475

www.maine.gov/revenue

High-Technology Investment Tax Credit

provides credit based on the adjusted basis of eligible equipment. The credit is limited to high-tech equipment purchased (or leased) by businesses engaged primarily in high-tech activities. The credit cannot reduce tax to an amount below the previous year's tax after credits. The credit cannot be carried back but can be carried forward for up to five years.

Contact: Maine Revenue Services

207-626-8475

www.maine.gov/revenue

TAX REIMBURSEMENT, CREDITS & EXEMPTIONS

Continued

Jobs and Investment Tax Credit allows any business, other than a public utility, that invests at least \$5 million in a taxable year in qualifying types of personal property and creates 100 new jobs in Maine within the ensuing two-year period a tax credit equal to 10 percent of the qualified investment and is limited, in any one year, to the lesser of \$500,000 or to the tax otherwise due. Any unused credit amount may be carried forward up to seven years.

Contact: Maine Revenue Services

207-626-8475

www.maine.gov/revenue

Maine Seed Capital Tax Credit Program is designed to encourage equity and near-equity investments in eligible Maine businesses, directly and through private venture capital funds. FAME may authorize State income tax credits to investors for up to 60 percent of the cash equity they provide to eligible Maine businesses. Investments may be used for fixed assets, research or working capital.

Contact: Finance Authority of Maine

207-623-3263 or 1-800-228-3734

www.famemaine.com

TAX REIMBURSEMENT, CREDITS & EXEMPTIONS

Continued

Pine Tree Development Zone (PTDZ)

Initiative provides qualified businesses that meet PTDZ requirements with up to 10 years of tax incentives, such as:

- Employment Tax Increment Financing (ETIF), which returns 80% of employer-paid income tax withholdings when 5 or more net new, quality jobs are created;
- 100% income, franchise, or insurance premium tax (dependent on tax filing method) credit for years 1-5 and 50% for years 6-10;
- 100% sales and use tax exemption/reimbursement for construction materials and equipment purchases; and,
- and access to reduced electricity rates.

Effective September 12, 2009

For calendar year 2009 only, an otherwise qualified business may locate anywhere in Maine and, if certified, access benefits for a 10 year duration.

Beginning January 2010, the program adjusts to a 2 tier system. On an annual basis, DECD will determine which municipalities in York and Cumberland counties will be classified as Tier 2 municipalities. All remaining municipalities across the state will be classified as Tier 1. An otherwise qualified business locating in a Tier 1 municipality will have a 10 year duration of benefits; Tier 2 locations will offer a 5 year duration.

**Contact: Department of Economic and Community Development, Office of Business Development
207-624-9804**

www.mainebiz.com

TAX REIMBURSEMENT, CREDITS & EXEMPTIONS

Continued

Research Expense Credit provides a 5 percent income tax credit to companies that incur qualifying research expenses in excess of their average research expenses. The program also provides a 7.5 percent credit under IRC 41(e)(1)(A). The credit is further limited to 100 percent of the first \$25,000 in tax liability plus 75 percent of the tax liability in excess of \$25,000. The credit cannot be carried back but can be carried forward for up to 15 years.

Contact: Maine Revenue Services

207-626-8475

www.maine.gov/revenue

Sales Tax Exemptions are allowed on the purchase of certain goods or services through the following programs:

- **Biotechnology Sales Tax Exemption** for the purchase of machinery, equipment, instruments and supplies used by the purchaser directly and primarily in a biotechnology application.
- **Custom Computer Programming Sales Tax Exemption** for the purchase of custom computer programming.
- **Fuel and Electricity Sales Tax Exemption** exempts from sales tax 95 percent of the sales price of all fuel and electricity purchased for use at a manufacturing facility.

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TAX REIMBURSEMENT, CREDITS & EXEMPTIONS

Continued

- **Manufacturing Sales Tax Exemption**

for the purchase of qualified machinery and equipment used in the production of tangible personal property as well as the repair and replacement of parts. Material used in production is also exempt.

- **Research Machinery and Equipment Sales Tax Exemption** for machinery and equipment used directly and exclusively for research and development.

Contact: Maine Revenue Services

207-624-9693

www.maine.gov/revenue

Super Research and Development Credit is for businesses that qualify for the aforementioned Research Expense Credit and whose qualified research expenses in Maine for the taxable year exceed 150 percent of their average research expenses for the three taxable years prior to the effective date of the credit. The credit is limited to 50 percent of the tax otherwise due after all other credits. Further, the credit cannot reduce tax liability below the amount due the previous year after credits. The credit cannot be carried back but can be carried forward for up to five years.

Contact: Maine Revenue Services

207-626-8475

www.maine.gov/revenue

MARKETING

Department of Marine Resources, Community Resource Development, provides support to Maine's fish and seafood harvesting, distribution and processing industries. Development research is conducted to provide public information about economic impacts, market trends, industry structure and financial needs of the fish and seafood industries. Economic development advocacy and policy are carried out through working internally and collaboratively with department staff and collaboratively with the State Planning Office, DECD, economic development districts and other state and local agencies.

Contact: Department of Marine Resources

207-624-6550

www.maine.gov/dmr

Get real. Get Maine! is a promotional campaign designed to market Maine foods and other agricultural products that are primarily grown, raised, harvested or processed in Maine. Products are promoted through a variety of program elements, including advertising, a nationally distributed wholesale buyers' guide, the "Get real. Get Maine!" Web site and through participation in fairs, activities and events.

Contact: Department of Agriculture,

Food & Rural Resources

207-287-3491

www.getrealmaine.com

The Maine Products Marketing Program

(MPMP) builds recognition for hundreds of exceptional Maine-made products and their producers. Producers of quality products substantially made in Maine can participate in a number of program features, including the



“Maine Made – America’s Best” product identification labels, kiosk display opportunities and national and regional trade show participation. There is no fee to apply, and members are entitled to a complimentary profile, with Web and e-mail hotlinks, on the globally accessible www.mainemade.com. MPMP is very proud to provide marketing assistance and to discover and create new and expanded market opportunities for Maine’s many quality producers.

**Contact: Department of Economic and Community Development, Office of Business Development
207-624-9804**

www.mainemade.com



WORKFORCE TRAINING

Governor's Training Initiative (GTI) provides financial training assistance for job creation, retention and competitive retooling by linking Maine's education and training providers to the needs of Maine employers. To be eligible, an employer must provide a starting wage equal to 85 percent of the average wage for that occupation in the given labor market area and contribute at least 50 percent of the premium cost of employee health insurance. (Some small and new businesses are exempt from the second requirement.)

Contact: Maine Department of Labor

207-623-7982

www.mainecareercenter.com/business

Maine Apprenticeship Program provides on-the-job training and related classroom instruction. A portion of the registration fees for two courses per semester may be reimbursed for successful completion of course work. At the end of the program, the employer has a certified, skilled journey person.

Contact: Maine Department of Labor

207-623-7990

www.mainecareercenter.com/business

Maine Quality Centers (MQC) Program

provides 100 percent state-funded recruitment and training for qualified businesses that are new or expanding in Maine. This program is offered at no cost to companies or trainees by the state's community colleges.

Contact: Maine Quality Centers

207-767-5210 or 1-800-491-3121

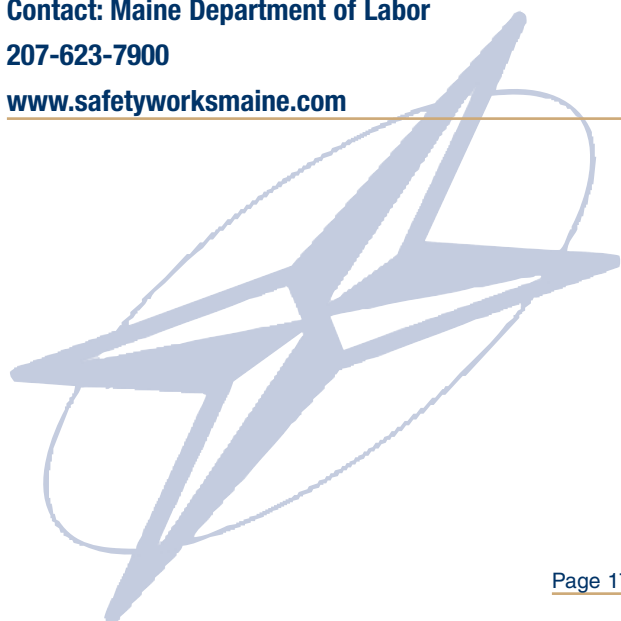
www.mccs.me.edu/business/mqc.html

Workplace Safety Education and Training Program (SafetyWorks!) provides, at no cost, customized occupational health and safety training, work-site evaluation and technical support to reduce injuries, illnesses and workers' compensation costs. Services are independent of Occupational Safety and Health Administration enforcement activities.

Contact: Maine Department of Labor

207-623-7900

www.safetyworksmaine.com



ENVIRONMENTAL PROTECTION

Office of Innovation and Assistance helps businesses interested in lessening their negative environmental impact. Under this program, the Department of Environmental Protection provides on-site technical pollution prevention and small business assistance; manages innovative programs such as Performance Track, Step-Up and Environmental Leadership; conducts literature searches and financial analyses of pollution prevention projects; and assists in identifying cleaner technologies.

Contact: Maine Department of Environmental Protection
1-800-789-9802

www.maine.gov/dep/innovation

Small Business Technical Assistance

Program helps businesses comply with environmental regulations through education, on-site assistance and pollution prevention techniques. It also advises businesses on ways to reduce waste, serves as an ombudsman for small businesses and administers the Small Business Compliance Incentive Policy, which provides enforcement relief for small businesses requesting assistance from the Department of Environmental Protection.

Contact: Maine Department of Environmental Protection
1-800-789-9802

www.maine.gov/dep/innovation/sbta

TECHNICAL ASSISTANCE

Business Answers, Maine's **business information resource**, provides assistance in most areas of starting and operating a business in Maine. In addition to providing information about state small business development



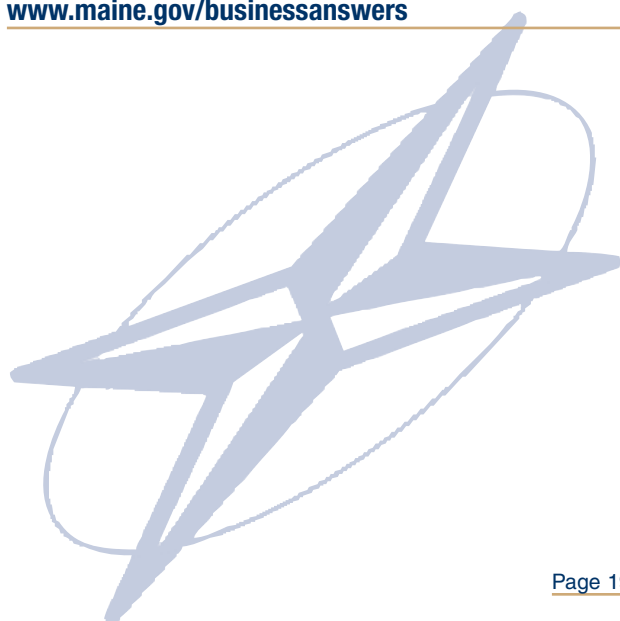
resources, this program offers One Stop Business Licensing assistance **over the phone or the Internet**. This service helps businesses identify state licensing requirements that pertain to them and provides applications and information needed for business operation.

Contact: Department of Economic and Community Development, Business Answers Program

1-800-872-3838 in Maine

1-800-541-5872 outside Maine

www.maine.gov/businessanswers



TECHNICAL ASSISTANCE

Continued

Efficiency Maine offers short- and long-term benefits to small businesses by providing information about energy-efficient electrical products, cash incentives for specific electrical equipment and Efficiency Maine training to help small business owners strengthen their bottom line and reduce risk.

Contact: Maine Public Utilities Commission

1-866-376-2463

www.energymaine.com

Maine International Trade Center (MITC)

provides assistance to businesses involved or interested in international trade. Training programs, conferences, counseling and technical assistance are available. The Trade Center also coordinates foreign trade missions to develop export markets for Maine businesses.

Contact: Maine International Trade Center

207-541-7400

www.mitc.com

TECHNICAL ASSISTANCE

Continued

Maine Manufacturing Extension

Partnership (Maine MEP) helps small- and medium-sized manufacturers in Maine succeed in the modern marketplace. Experienced Maine MEP project managers can help transform a manufacturing enterprise from traditional to world-class by providing assistance with lean manufacturing, technology transfer, ISO 9000/12000 certification, and energy and environmental assessments as well as offer expanded opportunities to do business in the supply chains of original equipment manufacturers and other customers.

Contact: Maine Manufacturing Extension Partnership
207-623-0680 or 1-800-MEP-4MFG

www.mainemep.org

Maine Procurement Technical Assistance

Center (Maine PTAC) offers procurement technical assistance and counseling to help Maine businesses market products and services to federal and state governments. Access to contract opportunities, information, resources and education on government prime contracting and subcontracting is available.

Contact: Maine PTAC

1-800-339-6389

www.maineptac.org

TECHNICAL ASSISTANCE

Continued

Maine Small Business Development

Centers (Maine SBDC), at no cost to potential and existing business owners/managers, provide comprehensive business management assistance, training and informa-



tion services to Maine’s small business community. Maine SBDC business counselors are qualified small business professionals, have diverse educational and business experience and are dedicated to helping Maine’s small businesses succeed. Maine SBDC operates a network of service centers and outreach offices located conveniently throughout the state.

Contact: Maine Small Business Development Centers

1-800-679-SBDC or 207-780-4420

www.mainesbdc.org

Small Business Energy Audit Program provides free energy audits conducted on-site by trained specialists to help small business owners identify energy savings.

Contact: Maine Public Utilities Commission

1-866-376-2463

www.energymaine.com

Technology Centers, as technology incubators for startup companies commercializing products and services in Maine’s seven targeted technology sectors, provide cost-effective facilities and services, including training and access to business, technical and financial resources. Technology Centers exist for the information technology, composite materials, precision manufacturing, biotechnology, forestry and agriculture, environmental and aquaculture industries.

Contact: Department of Economic and Community Development, Office of Innovation

207-624-9801

www.techcentersmaine.com



BUSINESS SERVICES & INFORMATION

Business Development Specialists are experts in economic and business development who work directly with companies and economic development organizations to identify and respond to the specific needs of Maine's business community. The Maine Office of Business Development has Business Development Specialists strategically located in regions throughout the state.

Contact: Department of Economic and Community Development, Office of Business Development
207-624-9804

www.businessinmaine.com

The **Maine Business Works (MBW)** Web site provides access to a comprehensive array of economic development information to start a new business or improve the profitability of an existing business. MBW also provides a vital electronic link among Maine economic development service providers to increase the efficiency and effectiveness of programs designed to help small businesses thrive in Maine.

Contact: Maine Small Business Development Centers
207-780-4420

www.mainebusinessworks.org

FOR MORE INFORMATION

For more information on how to put these programs to work for your business, please contact us through one of the following methods:

CALL

The Office of Business Development
(207) 624-9804
(800) 541-5872

WRITE/VISIT

The Office of Business Development
Department of Economic &
Community Development
Burton M. Cross State Office Building
111 Sewall Street, 3rd Floor
59 State House Station
Augusta, ME 04333-0059

E-MAIL

biz.growth@maine.gov

WEB

www.businessinmaine.com

The text included in this publication is subject to change by the Legislature. Refer to the DECD Web site for the most current text: www.businessinmaine.com

This brochure is available in alternate formats upon request.
07/09

